

**10/31/77 [3]**

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THE WHITE HOUSE  
WASHINGTON

October 31, 1977

Nelson H. Cruikshank

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: DEPARTMENT OF TREASURY TAX  
REFORM PROPOSAL TO DELETE  
SECTION 120 OF THE INTERNAL  
REVENUE CODE RELATING TO PRE-  
PAID LEGAL SERVICES PLAN

THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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*cc Currie should*

ACTION	FYI	
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<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

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<input type="checkbox"/>	STRAUSS
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<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

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for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

October 20, 1977

C

MEMORANDUM FOR THE PRESIDENT

FROM: NELSON H. CRUIKSHANK *NHC*

SUBJECT: Department of the Treasury Tax Reform  
Proposal to Delete Section 120 of the  
Internal Revenue Code Relating to Pre-  
paid Legal Services Plan

The Department of the Treasury is proposing the deletion of Section 120 from the Internal Revenue Code as part of the Administration's tax reform legislation.

Section 120 permits group legal services to be negotiated as an employee benefit, the value not to be included as taxable income. Section 120 was added to the Code in the Tax Reform Act of 1976.

I believe Treasury is mistaken to seek deletion of this provision. So does the National Council of Senior Citizens, the American Association of Retired Persons, the National Resource Center for Consumers of Legal Services, the AFL-CIO, the UAW and the National Center for the Black Aged.

Treasury looks at Section 120 as a tax loophole. But group, or prepaid, legal services is essentially a consumer movement. Its purpose is to provide access to the justice system for average Americans who are neither poor enough to qualify for publicly financed free legal services nor wealthy enough to afford the usual and customary fees of lawyers. Prepaid legal services bring competent legal counsel within the reach of middle income Americans by marshalling the group bargaining power, spreading the costs of services for individuals over a large group, and emphasizing early intervention before the problems become complex and the services needed to resolve them costly.

Leaders of this consumer movement believe that Section 120 and 501(c)20 of the Internal Revenue Code are essential to

the widespread development of prepaid plans. The mere recommendation to the Congress of such repeal is likely to have a chilling effect on the further development of these employer funded plans. Such a result in my view would be most undesirable.

Older persons have a substantial stake in this issue. Crucial rights would be jeopardized if older persons could not assert these rights forcefully in the proper legal forums. At the present time, only 200,000 to 300,000 out of 24 million older persons per year have access to legal counsel through publicly financed programs.

Elimination of the prepaid legal services tax provision will in effect halt the growth of these plans, virtually cut off millions of older persons from our American system of justice, and thereby deprive them of essential legal rights.

In view of these considerations, I respectfully recommend that you indicate to Treasury the desirability of retaining Section 120 of the Internal Revenue Code in proposals for revising tax legislation.

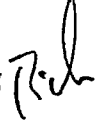
MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

INFORMATION

31 October 1977

TO: THE PRESIDENT

FROM: RICK HUTCHESON 

SUBJECT: Summary of Staff Views on Cruikshank Memo

Watson concurs with Cruikshank, observing that a move to delete Section 120 is likely to fail in Congress. Section 120 is a low-cost method of delivering essential legal services to average Americans; it would be unfair to delete this in light of the fact that corporations get tax deductions for legal expenses.

Eizenstat says his views are set out in the tax reform papers which you have.

OMB and Treasury favor repealing the provision of the 1976 Tax Reform Act which allows employer contributions to pre-paid legal services to be excluded from taxable employee earnings:

- public subsidies for legal services should be direct, controllable through the budget process, rather than hidden in the tax system;
- the provision erodes the tax base; if widely used, it could easily cost \$100 million or more a year;
- the provision is <sup>a</sup>haphazard public subsidy for legal expenses -- to employees of large organizations who negotiate such plans with their employers; other taxpayers must pay the full cost for such services;
- the benefits of the provision vary directly with the employee's tax bracket -- the largest benefits to persons with high incomes;
- the provisions do not necessarily cover retirees.

THE WHITE HOUSE  
WASHINGTON

*Wed 20 Nov 77*

Date: October 21, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attached*  
Jack Watson *attached*  
Jim McIntyre *attached*  
Charles Schultze *nc by plan*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Cruikshank memo dated 10/20/77 re Department of Treasury Tax Reform Proposal to Delete Section 120 of the Internal Revenue Code Relating to Prepaid Legal Services Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Monday

DATE: October 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: October 21, 1977

MEMORANDUM

## FOR ACTION:

Stu Eizenstat

~~Jack Watson~~~~Jim McIntyre~~

Charles Schultze

## FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Cruikshank memo dated 10/20/77 re Department of Treasury Tax Reform Proposal to Delete Section 120 of the Internal Revenue Code Relating to Prepaid Legal Services Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Monday

DATE: October 24, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

We strongly concur. ~~Deleting~~  
Section 120 is ~~politically~~  
~~unwise~~ essential if collective  
bargaining for basic and  
important legal services benefits

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE WHITE HOUSE

WASHINGTON

Date: October 21, 1977

MEMORANDUM

FOR ACTION:

Secretary Blumenthal *attended*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Cruikshank memo dated 10/20/77 re Department of Treasury  
Tax Reform Proposal to Delete Section 120 of the  
Internal Revenue Code Relating to Prepaid Legal Services  
Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Monday

DATE: October 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: October 21, 1977

MEMORANDUM

## FOR ACTION:

Stu Eizenstat  
Jack Watson  
Jim McIntyre  
Charles Schultze

## FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

## SUBJECT:

Cruikshank memo dated 10/20/77 re Department of  
Treasury Tax Reform Proposal to Delete Section 120  
of the Internal Revenue Code Relating to Prepaid  
Legal Services Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Monday

DATE: October 24, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

We strongly support Cruikshank's  
memo. In all likelihood, a  
move to delete Section 120 will  
fail in Congress — and, in our  
view, is ill-advised as a  
matter of policy. Without Section 120,  
low-cost methods of delivering essential  
PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED. Legal Services

If you have any questions or if you anticipate a delay in submitting the required  
material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Americans will be stymied — a most unfair  
restraint on right of the fact that we give tax  
deductions for corporate legal expenses. Watson/Frank

Date: October 21, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat  
Jack Watson  
Jim McIntyre  
Charles Schultze

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Cruikshank memo dated 10/20/77 re Department of  
Treasury Tax Reform Proposal to Delete Section 120  
of the Internal Revenue Code Relating to Prepaid  
Legal Services Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Monday

DATE: October 24, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

My views, in favor of retaining prepaid  
legal services plans, are adequately set  
out in the tax reform papers presented  
jointly by the Treasury - CEA - and DPS.

Stu Eizenstat

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required  
material, please telephone the Staff Secretary immediately. (Telephone, 7052)



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 21 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *James T. McIntyre, Jr.*

SUBJECT: Memorandum from Nelson Cruikshank Regarding Treasury Tax Reform Proposal to Repeal the Exclusion from Employee Income of Employer Contributions to Prepaid Legal Services Plans

I support the Treasury's recommendation to repeal the provision of the Tax Reform Act of 1976 allowing employer contributions to prepaid legal services plans to be excluded from taxable employee earnings. The provision erodes the tax base. It provides an indirect public subsidy for personal legal services on a haphazard basis, namely to employees of large organizations who negotiate such plans with their employers. Such plans are not restricted to low and middle income employees nor would they necessarily cover retirees. The benefits of such preferential tax treatment vary directly with the employee's tax bracket.

Public subsidies for legal services should not be hidden in the tax system but should be direct, controllable through the budget process, and focused on those who need them the most.



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

October 21, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Treasury Department Tax Reform Proposal on  
Prepaid Legal Services

In an October 20 memorandum to you, Nelson Cruikshank commented on the Treasury Department's tax reform proposal to repeal the exclusion for prepaid legal services. This memorandum is in response.

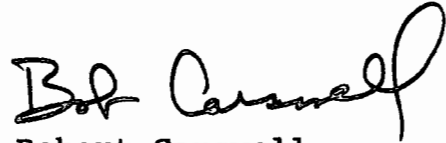
In 1976 Congress voted to exclude from an employee's gross income employer contributions to a qualified group legal services plan, as well as the value of services received under such a plan. The exclusion applies to plans established to provide personal (nonbusiness) legal services for employees and their families. Treasury proposes to repeal the new exclusion because it is inequitable and inefficient.

Exclusion from income of the value of legal services represents a significant departure from the basic principle that personal, living, or family expenses should be non-deductible. The exclusion allows taxpayers who receive personal legal services under employer-funded plans to receive those services tax free. Other taxpayers must pay the full cost of such services out of after-tax income.

Moreover, an exclusion is an inefficient means of providing social benefits. An exclusion provides the largest benefits to persons with high incomes and the smallest benefits to persons with low incomes.

The exclusion for prepaid group legal services represents a social program with a price tag of considerable potential magnitude. If widely used, it easily could cost \$100 million or more a year. If the Federal government chooses to subsidize the cost of private prepaid group legal services or of any other social program, it should do so directly. Unlike tax incentives, direct appropriations allow coordination among related programs and monitoring of results. They also allow careful targeting of funds through programs for special groups of people, such as senior citizens.

We note Mr. Cruikshank's comment that older persons have a substantial stake in this issue. It is too soon to know how many legal services plans will allow benefits to be carried into retirement. However, many plans probably will not.

A handwritten signature in black ink, appearing to read "Bob Carswell". The signature is fluid and cursive, with the first name "Bob" written in a slightly larger, more prominent script than the last name "Carswell".

Robert Carswell  
Acting Secretary

THE WHITE HOUSE  
WASHINGTON

October 31, 1977

Hamilton Jordan

The attached was returned in the President's  
outbox and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: Jim Gammill

RE: APPOINTMENT TO THE U.S. TAX COURT

THE WHITE HOUSE  
WASHINGTON

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<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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ACTION	FYI	
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<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

<input type="checkbox"/>	ARAGON
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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *H.J.*

SUBJECT: APPOINTMENT TO THE UNITED STATES TAX COURT

Secretary Blumenthal has recommended that you appoint Mr. Herbert L. Chabot to the vacancy on the Tax Court. This recommendation has been reviewed by the Attorney General, Bob Lipshutz, Frank Moore and me, and we all concur in this recommendation. The memorandum from Secretary Blumenthal is attached for your reference.

Although we all agree with this recommendation, we believe a different method for selecting persons for the Tax Court should be followed in the future. We have discussed this with Secretary Blumenthal, and have agreed in the future that there will be a commission formed to have representation equally from representatives of the Treasury Department (the tax collector) and the public (the taxpayer).

Attachment

APPROVE Herbert Chabot ☒ DISAPPROVE ☐

*[Signature]*

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for Preservation Purposes

HERBERT L. CHABOT

RESUME

Home: 14104 Bauer Drive  
Rockville, Md. 20853

Office: 1013A, Longworth House  
Office Bldg.  
Washington, D.C. 20515

Birth Date: July 17, 1931

Marital Status: Married, four children.

Education: 1964--LL.M., in Taxation, Georgetown University Law  
School  
1957--LL.B., Columbia Law School. Top quarter of class.  
1952--B.A., CCNY. Cum Laude. Honors in Government.

Experience: 1965 to present: Staff member of Joint Committee on  
Internal Revenue Taxation, U.S. Congress.  
Joined the Committee staff as an attorney; since 1973  
serving as Assistant Chief of Staff  
  
1961-1965: Attorney-advisor to Judge Russell E. Train,  
United States Tax Court.  
  
1957-1961: Staff counsel; American Jewish Congress.

Bar  
Associations: American Bar Association (Partnership Committee of  
the Tax Section).  
  
Federal Bar Association (Capitol Hill Chapter).

Military  
Service: 1953-1955: Active Duty, U.S. Army  
1955-1963: Army Reserve, Civil Affairs/Military  
Government Units.

Other: 1974-Present: Adjunct professor of law (deferred  
compensation, tax-exempt organizations);  
George Washington University Law School.  
1967-1968: Elected delegate from Montgomery County,  
Maryland, to the Maryland Constitutional Convention.  
1965-1968: Board of trustees; Temple Emanuel,  
Kensington, Maryland

## Biographical Sketch

HERBERT L. CHABOT

Herbert L. Chabot is Deputy Chief of Staff of the Joint Committee on Taxation, U. S. Congress; he has served on the Joint Committee staff since 1965. He teaches a course on taxation of deferred compensation at George Washington University National Law Center (where he formerly taught a course on taxation with respect to exempt organizations). Before 1965, he was attorney-advisor to Judge Russell E. Train on the United States Tax Court. Mr. Chabot received the Bachelor of Arts degree from C.C.N.Y. in 1952, LL.B. from Columbia University in 1957, and LL.M. from Georgetown University in 1964. He is a member of the American Bar Association (Tax Section) and Federal Bar Association (Capitol Hill Chapter). He resides in Montgomery County, Maryland, and served in 1967 as an elected delegate from that county to the Maryland Constitutional Convention.



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

September 23, 1977

ACTION

MEMORANDUM FOR THE PRESIDENT

Subject: Appointment of Herbert L. Chabot  
to the United States Tax Court

The Chief Judge of the Tax Court has asked that I recommend to you a replacement for Judge Bruce Forrester who retired from the Tax Court last year.

Over forty candidates were considered by a committee of senior Treasury and Justice Department officials and Mr. Herbert L. Chabot was their unanimous choice for nomination to the Court. I, too, have reviewed his qualifications and recommend that you nominate Mr. Chabot for the vacancy on the Court.

Mr. Chabot is presently Deputy Chief of Staff of the Joint Committee on Internal Revenue Taxation. He has served on the Committee staff since 1965 and from 1961-1965 Mr. Chabot was attorney advisor to one of the Tax Court judges. He has also been a lecturer on tax law at the George Washington University National Law Center for the past three years. For your information and convenience, I am attaching a copy of Mr. Chabot's resume.

Mr. Chabot is known personally by several senior Administration officials and is highly regarded by them and prominent members of the tax bar. The ABA Taxation Section has rated Mr. Chabot as "well qualified" for appointment to the Tax Court and Mr. Chabot has also received strong endorsements from Senator Russell Long and Representative Al Ullman. Overall, there is a strong consensus that Mr. Chabot would be an outstanding appointment to the Tax Court and I heartily recommend that you nominate him for this position.

  
W. Michael Blumenthal

Attachment

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

Date: October 13, 1977

MEMORANDUM

FOR ACTION:  
Hamilton Jordan

FOR INFORMATION:

Bob Lipshutz

Frank Moore

Jim Gammill

*concur by phone*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 10/12/77 re Recommendations for the  
Present Vacancy on the United States Tax Court

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: Saturday

DATE: October 15, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

*Please note other comments below:*

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THE WHITE HOUSE  
WASHINGTON

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ACTION  
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<input type="checkbox"/>	WARREN



THE WHITE HOUSE  
WASHINGTON

*18 w/256 -  
still working 10/2/77*

Date: September 27, 1977

MEMORANDUM

FOR ACTION:

Jim Fammill

FOR INFORMATION:

Ham Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 9/23/77 re Appointment of Herbert L. Chabot to the United States Tax Court.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 9:00 AM

DAY: Thursday

DATE: September 29, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

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		LANCE
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	HUTCHESON
	JAGODA
✓	KING <i>Garni 11</i>

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE WHITE HOUSE  
WASHINGTON

*Hold*

RICK:

Lipshutz, Moore and Hamilton all agree that the Tax Court judges should be handled the same way the Circuit Court of Appeals and other courts are handled. That is from Hamilton to the President but with the joint recommendation of 1 person after consultation with Judge Bell.

I have given copies of this one to both Lipshutz and Moore so the process is underway.

Eleanor  
9/27/77

*Still working 10/28*

THE WHITE HOUSE

WASHINGTON

Date: September 27, 1977

MEMORANDUM

FOR ACTION:

Jim Hammill

FOR INFORMATION:

Ham Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 9/23/77 re Appointment of Herbert  
Chabot to the United States Tax Court.

YOUR RESPONSE MUST BE DELIVERED  
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TIME: 9:00 AM

DAY: Thursday

DATE: September 29, 1977

ACTION REQUESTED:

Other: ☒ Your comments

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

Date: October 13, 1977

## MEMORANDUM

FOR ACTION:  
Hamilton Jordan

## FOR INFORMATION:

Bob Lipshutz \_\_\_\_\_

Frank Moore \_\_\_\_\_

Jim Gammill

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 10/12/77 re Recommendations for the  
Present Vacancy on the United States Tax Court

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10:00 AM

DAY: Saturday

DATE: October 15, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.*Please note other comments below:*

*Hold it  
for Lipshutz,  
Moore & AB  
to meet*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

ACTION

October 12, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Recommendations for the Present Vacancy on the  
United States Tax Court

Earlier this year the Chief Judge of the United States Tax Court asked me to recommend to you a suitable replacement for Judge Bruce M. Forrester, who retired from the Tax Court on January 1, 1976. To seek out and evaluate candidates for the vacancy I organized a committee comprised of Robert H. Mundheim, General Counsel of the Treasury, Chairman; Jerome Kurtz, Commissioner of Internal Revenue; Laurence N. Woodworth, Assistant Secretary for Tax Policy; M. Carr Ferguson, Assistant Attorney General, Tax Division, Department of Justice; Stuart E. Seigel, Chief Counsel of the Internal Revenue Service; and Donald C. Lubick, Deputy Assistant Secretary for Tax Policy.

The committee contacted the chairman of the tax section of each state bar, and a number of judges, academics and members of the tax bar in its search for qualified candidates. Over forty candidates' qualifications were carefully reviewed by the committee, which submitted to me the names of three persons whom they believed to be the best qualified. In alphabetical order these are Herbert L. Chabot, Louis A. Del Cotto and Scott B. Lukins. The committee indicated a preference for Mr. Chabot. Attached are brief summaries of the background and qualifications of each of the three candidates. All three are rated "well qualified" for appointment to the Court by the Section of Taxation of the American Bar Association.

Each of the three persons would be excellent choices to fill the vacancy on the Tax Court. I recommend the appointment of Herbert L. Chabot.

W. Michael Blumenthal

Attachments

Herbert L. Chabot

Mr. Chabot is 46 years old and is presently Deputy Chief of Staff of the Joint Committee on Internal Revenue Taxation of the U.S. Congress. He has served on the Committee staff since 1965. Mr. Chabot was attorney-advisor to former Judge Russell E. Train of the Tax Court from 1961 to 1965, and staff counsel of the American Jewish Congress from 1957 to 1961. He received a Bachelor of Arts degree from CCNY in 1952, LL.B. from Columbia University in 1957, and LL.M. from Georgetown University in 1964. He has lectured on taxation at the George Washington University National Law Center for the past three years.

Mr. Chabot and his work are personally well known by four of the six committee members, all of whom regard him highly. Dr. Woodworth, who has worked intimately with Mr. Chabot, stated that "Mr. Chabot probably has the best detailed and all-around background of the tax law of anyone on the staff of the Joint Committee on Internal Revenue Taxation. At the same time, he has a very real dedication to tax equity, and this, combined with his extensive knowledge of the tax law, in my opinion, makes him a very highly qualified candidate for a Tax Court judgeship."

Mr. Chabot is also highly regarded by prominent members of the tax bar. Russell E. Train, for whom Mr. Chabot served as law clerk, described him as "exceptionally conscientious and hard working", and adds that "He is a person of exceptional intellect combined with sound common sense ... His professional reputation is superb ...." Sheldon S. Cohen, a former IRS Commissioner, now in private practice, called him an "excellent choice" for nomination to the Court, saying that he "has the brains, the technical ability and the personality to be an excellent judge."

Mr. Chabot has received strong endorsements from Senator Russell E. Long and Representative Al Ullman.

Louis A. Del Cotto

Mr. Del Cotto is 53 years old and has served from 1951 to 1959 and from 1961 to the present as a Professor of Law specializing in taxation at the State University of New York at Buffalo. He has also been engaged in the private practice of tax law for ten years. In 1962-63 he served as Assistant Counsel, New York Estate Law Revision Commission.

Mr. Del Cotto has written extensively on tax law subjects. Academicians report that his articles exhibit a facility for analyzing cases in a practical, lawyer-like way. He received a Bachelor's degree from the University of Buffalo and an LL.B., cum laude in 1951. He earned an LL.M. in 1961 from Columbia University, where he was a Hughes Fellow.

Mr. Del Cotto is personally known by two members of the committee, both of whom endorse his candidacy warmly. Mr. Lubick, who is also a member of the Buffalo tax bar, describes him as a "first-rate tax technician" who is very practical.

Scott B. Lukins

Mr. Lukins is 48 years old and is presently the senior partner in the law firm of Lukins, Annis, Bastine, McKay & Van Marter, of Spokane, Washington. Prior to engaging in the private practice of law in 1959, Mr. Lukins was a tax attorney with the Ford Motor Company from 1958 to 1959 and served as law clerk to Judge Bruce M. Forrester of the Tax Court from 1957 to 1958. He received a Bachelor of Arts degree from Harvard University in 1951, J.D. from the University of Washington in 1954, and LL.M. in taxation from New York University in 1955. Mr. Lukins has lectured on taxation at Gonzaga Law School from 1959 to 1968, and has been very active in the tax bar in the Pacific Northwest.

Mr. Lukins is personally known by one member of the committee who regards him very highly. He draws enthusiastic responses from members of the tax bar in the Pacific Northwest. Robert L. Weiss, an attorney in private practice in Portland, Oregon, considers him an "outstanding tax lawyer." He describes Mr. Lukins as "not only bright and well informed but ... thoughtful, innovative and endowed with common sense." Professor Roland Hjorth of the University of Washington School of Law described him as "extremely competent, with great integrity, balanced, steady, possesses an equitable temperament and is considered an excellent tax litigator."

Mr. Lukins has received strong endorsements from Senators Henry M. Jackson and Warren G. Magnuson, and Representative Thomas S. Foley.

THE WHITE HOUSE  
WASHINGTON

October 31, 1977

Jim McIntyre

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Bob Linder

RE: CERTIFICATE OF APPRECIATION  
FOR REORGANIZATION STAFF



THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
/		LANCE <i>Jim</i>
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
/	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



**PRESIDENT'S**  
**REORGANIZATION** THE PRESIDENT HAS SEEN.  
**PROJECT**

WASHINGTON, D.C. 20503

OCT 26 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES MCINTYRE *Jim McIntyre*  
SUBJECT: Certificate of Appreciation for Reorganization Staff

Attached to this memorandum is a draft certificate of appreciation to be given to departing reorganization staff. We have worked with Bob Linder in preparing it, and he approves of its format.

Staffing the reorganization project differs from other Federal efforts. We are relying heavily on detailed personnel from other agencies, temporary appointments, and volunteers from the private sector and state and local governments. Although the project is good experience, it entails some career risk and dislocation for all of these individuals. They are also working long and intense hours. Although certificates would be a unique "thank you" for Federal employees, as Bob Linder points out, we believe that they are warranted because of the special nature of the project.

The Office of Management and Budget will assume the cost which we estimate at about \$725.00 per 500 certificates.

We request that you approve this certificate.\*

☒ Approve

☐ Disapprove

*J*

Attachment

\*to be signed by signature pen

Electrostatic Copy Made  
for Preservation Purposes

7:30 PM

THE PRESIDENT HAS SEEN.  
THE WHITE HOUSE

WASHINGTON

October 31, 1977

C

CONGRESSIONAL LEADERSHIP SUPPER

Tuesday, November 1, 1977

7:30 p.m. (one hour)

The Family Dining Room

From: Frank Moore *F.M.*

I. PARTICIPANTS

See attached list

II. PRESS PLAN

Electrostatic Copy Made  
for Preservation Purposes

White House photo only

III. TALKING POINTS

1. The House has basically finished their work on major legislation. The only important bill which still may be brought up is the consumer bill. Also pending are several major appropriations bills. You should urge the House leadership to work out the details on these bills so that they can be sent to you before the recess.

Labor/HEW Appropriations: Being held up because of abortion issue.

D.C. Appropriations: Being held up because of dissent over the convention center.

Supplemental Appropriations: Contains funds for the breeder, B-1 recission, and SBA disaster funds; does not contain the recission for the Minute Man 3's.

2. You should tell Dan Rostenkowski that you took his advice and have asked the Cabinet to schedule courtesy calls on the Hill on a regular basis.

3. Energy. I am meeting tonight with my Hill staff, Dr. Schlesinger, and Stu to discuss the Administration's position on the House/Senate Conference. I will send you a report of this meeting tomorrow morning for use at the Leadership Supper.

4. Social Security Financing. A conference is required. The Senate Finance is planning to meet on this on Tuesday; floor action is uncertain.
5. Regulation Q. It is believed that the Senate will accept the House-passed version of the bill although some opposition may be expected from Senators McIntyre and Proxmire regarding provisions affecting the Federal Reserve.

PARTICIPANTS

The President

The Vice President

Secretary Schlesinger

Senate

Majority Leader Byrd

Alan Cranston

Daniel Inouye

Hubert Humphrey

James Eastland

House

Speaker O'Neill

Jim Wright

John Brademas

Tom Foley

Dan Rostenkowski

Shirley Chisholm

Frank Moore

Stu Eizenstat

Ken Curtis

Bob Thomson

Dan Tate

Bill Cable

Jim Free

Valerie Pinson

Bill Smith